APPENDIX

Revenue Act of 1932, c. 209, 47 Stat. 169:

SEC. 605. TAX ON JEWELRY, ETC.

There is hereby imposed upon the following articles, sold by the manufacturer, producer, or importer, a tax equivalent to 10 per centum of the price for which so sold: All articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semiprecious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with, precious metals or imitations thereof or ivory (not including surgical instruments or silver-plated ware, or frames or mountings for spectacles or eyeglasses); watches; clocks; parts for watches or clocks sold for more than 9 cents each; opera glasses; lorgnettes; marine glasses; field glasses; and binoculars. No tax shall be imposed under this section on any article used for religious purposes, or any article (other than watch parts or clock parts) sold for less than $3.

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SEC. 619. SALE PRICE.

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(b) If an article is—

(1) sold at retail;

(2) sold on consignment; or

(3) sold (otherwise than through an arm's-length transaction) at less than the fair market price; the tax under this title shall (if based on the price for which the article is sold) be computed on the price for which such articles are sold, in the ordinary course of trade, by manufacturers or pro-

ducers thereof, as determined by the Commissioner.

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SEC. 623. SALES BY OTHERS THAN MANUFACTURER, PRODUCER, OF IMPORTER.

In case any person acquires from the manufacturer, producer, or importer of an article, by operation of law or as a result of any transaction not taxable under this title, the right to sell such article, the sale of such article by such person shall be taxable under this title as if made by the manufacturer, producer, or importer, and such person shall be liable for the tax.

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SEC. 629. EFFECTIVE DATE.

This title shall take effect on the fifteenth day after the date of the enactment of this Act * * *.

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Treasury Regulations 46, promulgated under the Revenue Act of 1932:

ART. 3. *Liability of manufacturer for tax.*—The tax covered by these regulations shall be paid by the manufacturer, producer, or importer on all sales, whether made directly or through an agent, * * *.

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